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DE RUEHKT #2516 3220837
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FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9170
INFO RUEHKA/AMEMBASSY DHAKA IMMEDIATE 8977
RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 1898
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 8803
RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 3943
RUEHLO/AMEMBASSY LONDON IMMEDIATE 3360
RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 3664
RHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATE
RUEAIIA/CIA WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RHEHNSC/NSC WASHDC IMMEDIATE
RHEFDIA/DIA WASHDC IMMEDIATE

CONFIDENTIAL KATHMANDU 002516

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DEPT FOR SA/INS NSC FOR RICHELSOPH

E.O. 12958: DECL: 11/18/2015

TAGS: PREL MASS MCAP PGOV PINS CH NP

SUBJECT: CHINESE AMBASSADOR DENIES COMMERCIAL WEAPONS

SALES TO NEPAL

REF: A. KATHMANDU 2379

¶B. KATHMANDU 2391

1C. STATE 202064

¶D. KATHMANDU 2390

**1**E. BEIJING 18209

¶F. BEIJING 18123

¶G. KATHMANDU 1645

Classified By: Amb. James F. Moriarty, Reason 1.4 (b/d)

## NO LARGE COMMERCIAL WEAPONS SALES

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11. (C) Chinese Ambassador Sun Heping categorically stated to the Ambassador in a November 18 meeting that China had no large commercial sales to Nepal in the works. The Ambassador described to Sun his comments at a press conference in Butwal (refs A and B) that new provisions of large amounts of weapons by other parties, including China, might take the pressure off the King to reach out to the political parties. The Ambassador explained that the King might calculate that he had sufficient external support to allow him to do whatever he wanted internally. Amb. Sun replied that China was providing similar assistance as in the past -- roughly one USD million worth of equipment (ref A). In response to the Ambassador's concern about rumors of large commercial sales of weapons worth over USD twenty million (ref C), Sun averred "absolutely not." He asserted that he would know about such sales if they were taking place. He added that the figure of USD 20 million was "laughable." The Ambassador assured him that the USG would be happy to hear this.

## BUT WORRIED ABOUT SITUATION

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12. (C) Amb. Sun stated that Beijing's policy toward Nepal had not changed. Beijing still wanted to see "cooperation and understanding" between the King and the political parties. The Ambassador agreed that things were evolving and becoming more dangerous. The political parties were desperate because the King continued to constrict their space, but they could not operate in the countryside without the approval of the Maoists. The Parties could only mobilize a movement against the King if they had the active cooperation of the Maoists.

The Ambassador added that because of that desperation which had led to dangerous initiatives on the part of some UML leaders, he had felt it necessary to publicly warn the Parties against forming an alliance with the Maoists without the latter forswearing violence (ref D).

## COMMENT

13. (C) Our sense remains that Beijing shares our worry about developments here (ref G). Amb. Sun's strong denial of rumored commercial weapons sales indicates that Beijing understood our message of concern about China providing lethal weapons to Nepal (refs C, E and F). China seems to recognize that it has to tell us, and presumably the Indians, that it appreciates that the issue of providing weapons to Nepal is very sensitive and that it is important not to dissipate pressure on the King. We will see whether the Chinese Ambassador's denials are accurate.

MORIARTY